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*Mr. Doherty*

*file*

*Twenty-Seventh Annual Report of*  
**THOMPSON-LUNDMARK GOLD MINES**  
**LIMITED**



*For the Year Ended June 30th, 1966*



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# THOMPSON-LUNDMARK GOLD MINES LIMITED

*Incorporated under the Laws of Canada*

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## CAPITAL:

Authorized: 5,000,000 Shares of No Nominal or Par Value

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## OFFICERS:

FREDERICK W. THOMPSON	-	-	-	-	-	-	-	-	<i>President</i>
ROBERT D. HOFFMAN	-	-	-	-	-	-	-	-	<i>Vice-President</i>
G. P. MITCHELL	-	-	-	-	-	-	-	-	<i>Vice-President</i>
B. A. ORR	-	-	-	-	-	-	-	-	<i>Secretary-Treasurer</i>

## DIRECTORS:

FREDERICK W. THOMPSON	-	-	-	-	-	-	-	-	Haileybury
ROBERT D. HOFFMAN	-	-	-	-	-	-	-	-	Toronto
LANFEAR B. NORRIE	-	-	-	-	-	-	-	-	New York
G. P. MITCHELL	-	-	-	-	-	-	-	-	Toronto
B. A. ORR	-	-	-	-	-	-	-	-	Toronto

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## TRANSFER AGENT AND REGISTRAR:

PREMIER TRUST COMPANY  
19 Richmond Street West  
Toronto, Ontario



# THOMPSON-LUNDMARK GOLD MINES LIMITED

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## *Directors' Report to the Shareholders*

September 14th, 1966.

TO THE SHAREHOLDERS:

Your Directors herewith submit a report of operations and Financial Statements of the Company for the fiscal year ended June 30th, 1966, together with the Auditors' Report to the Shareholders.

Your President investigated many properties in the field, but found nothing worthy of further work or participation.

Neither the Field Engineers of Delahey Consolidated Nickel Mines Limited, in which your Company owns 32% interest, nor those of Quebec Cobalt and Exploration Limited, in which your Company owns 40%, found anything of importance in their field work this summer.

Following is a report of our principal activities:

### QUEBEC COBALT AND EXPLORATION LIMITED

The chief equity of your Company is its approximate 40% interest in Quebec Cobalt and Exploration Limited, an iron ore property in the Mount Wright area of Quebec. This property is under a 99 year lease (\$100,000 minimum yearly royalty) to Normanville Mining Company, a wholly owned subsidiary of Jones & Laughlin Steel Corporation of Pittsburgh. Normanville has taken as a 50% associate, Boulder Lake Mining Company, a subsidiary of Cleveland-Cliffs Iron Company of Cleveland.

During 1966, Jones & Laughlin had a geological field crew engaged in detailed mapping at the property in Quebec, as well as doing portable diamond drilling on outlying sections. U.S. Steel's Quebec Cartier property was actively engaged in carrying out further drilling on its Mount Wright property some six miles south of our Quebec Cobalt property.

As you know, three of the major properties in the Quebec Labrador Trough, U.S. Steel's Quebec Cartier at Lac Jeannine, ninety miles south of us, Iron Ore of Canada's property at Carol Lake, eighteen miles west of us and Pickand Mather's

property at Wabush, some twenty miles west of us, are turning out approximately 20,000,000 tons of iron concentrates annually. Carol Lake pelletizes its concentrates locally while Wabush sends the concentrates down to the St. Lawrence to be pelletized. Cartier ships concentrates.

Your Vice-President and Consulting Engineer, Mr. R. D. Hoffman, visited the property in August and carried out assessment work on the Labrador Hill property in the area. Quebec Cobalt and Exploration Limited still retains one block of claims in this area, (not included in the Normanville Mining Company lease) the Labrador Hill group of six claims, 240 acres, on which there is a substantial amount of low grade iron formation.

#### **YELLOWKNIFE, NORTHWEST TERRITORIES**

No work was done on this property during the past season.

#### **KAPKICHI NICKEL MINES LIMITED**

No work was done on the copper-nickel property of Kapkichi Nickel Mines Limited in Western Ontario.

#### **GENERAL**

Your Company, with no immediate financial obligation, has the right to participate in a small way in any development Quebec Cobalt and Exploration Limited engineers or geologists locate in the field. It has not exercised this option in the past year.

Under Note 2 in the Balance Sheet you will see a notation that the Company has agreed to pay pensions to an officer and an employee upon their retirement. This matter will be voted upon at our coming Annual Meeting of which notice accompanies this report.

As has been stated in previous years, the Company has more than held its own financially over the past few years in its net quick assets, Quebec Cobalt and Exploration Limited shareholdings excluded, so that we can afford to participate to a larger extent in exploration and development in the ensuing year than we have previously.

By Order of the Board,

FRED W. THOMPSON,

*President.*



# THOMPSON-LUNDMARK

(Incorporated under the laws of the Province of Ontario)

## Balance Sheet

(With Comparative Figures for 1965)

### ASSETS

	1966	1965
<b>CURRENT ASSETS:</b>		
Cash in bank .....	\$ 1,410	\$ 3,624
Accounts receivable .....	350	
	<u>1,760</u>	<u>3,624</u>
<b>SHARES IN QUEBEC COBALT AND EXPLORATION LIMITED:</b>		
1,384,000 shares at cost (quoted market value, 1966 — \$3,242,400; 1965 — \$2,145,200, note 1) .....	285,865	285,865
<b>SHARES IN OTHER COMPANIES:</b>		
Quoted shares at cost (quoted market value, 1966 — \$278,488; 1965 — \$150,159) .....	221,562	126,386
Shares in other mining companies at cost or less .....	44,406	44,406
	<u>265,968</u>	<u>170,792</u>
<b>FIXED ASSETS:</b>		
Mining claims at cost		
Thompson Lake, Yellowknife Area .....	38,775	38,575
Interest in claims located in Cobalt area, Ontario .....	2,668	2,668
Buildings and equipment in place at Thompson Lake at estimated realizable value as determined by officers of the company at June 30, 1951, less proceeds of sale since that date .....	35,318	35,318
Office equipment at cost of \$2,135, less accumulated depreciation .....	255	319
	<u>77,016</u>	<u>76,880</u>
<b>OTHER ASSETS AND DEFERRED CHARGES:</b>		
Organization expenses .....	8,428	8,428
Prepaid expenses .....	489	494
	<u>8,917</u>	<u>8,922</u>
	<u>\$ 639,526</u>	<u>\$ 546,083</u>

### AUDITORS' REPORT

We have examined the balance sheet of Thompson-Lundmark Gold Mines Limited. Our examination included a general review of the accounting procedures and such test circumstances.

In our opinion the accompanying balance sheet and statements of income and deficit for the year then ended, in accordance with generally accepted accounting principles, are correct.

We have also examined the accompanying statement of source and application of funds for the year.

Toronto, Canada,  
July 6, 1966.

# GOLD MINES LIMITED

(Companies Act, Canada)

June 30, 1966

(as at June 30, 1965)

## LIABILITIES

	1966	1965
CURRENT LIABILITIES:		
Accounts payable .....	\$ 100	\$ 100
Bank loan (secured by shares in other companies) .....	56,437	
	<u>56,537</u>	<u>100</u>
OTHER LIABILITIES:		
Accrued pension liability (note 2) .....	12,280	
SHAREHOLDERS' EQUITY:		
Capital stock		
Authorized — 5,000,000 shares of no par value		
Issued — 4,993,045 shares .....	1,371,019	1,371,019
Less deficit .....	800,310	825,036
	<u>570,709</u>	<u>545,983</u>

### NOTE:

1. Because of the large number of shares held in Quebec Cobalt and Exploration Limited, the quoted market value does not necessarily indicate either the amount which could be realized on disposal or the value of the underlying assets of the company.
2. The company has agreed to pay pensions to an officer and an employee upon their retirement. The pension cost related to past services of the officer and the employee and not provided for at June 30, 1966 is estimated to amount to approximately \$43,000.

Approved on behalf of the Board:

FRED W. THOMPSON, Director.

B. A. ORR, Director.

<u>\$ 639,526</u>	<u>\$ 546,083</u>
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## THE SHAREHOLDERS

as at June 30, 1966 and the statements of income and deficit for the year then ended. accounting records and other supporting evidence as we considered necessary in the

present fairly the financial position of the company as at June 30, 1966 and the results of principles applied on a basis consistent with that of the preceding year.

unds for the year ended June 30, 1966. In our opinion the statement presents fairly the

GUNN, ROBERTS AND CO.,  
Chartered Accountants.

# THOMPSON-LUNDMARK GOLD MINES LIMITED

## *Statement of Income*

YEAR ENDED JUNE 30, 1966

(with comparative figures for the year ended June 30, 1965)

	1966	1965
REVENUE:		
Dividends received (less U.S. tax withheld 1966 — \$940; 1965 — \$985) ----	\$ 46,948	\$ 5,585
Interest earned -----	10	58
	<u>46,958</u>	<u>5,643</u>
EXPENSES:		
General expenses at Yellowknife property:		
Insurance -----	\$ 435	787
Rental, transmission line right of way -----	139	139
	<u>574</u>	<u>926</u>
Exploration:		
Engineering expenses -----	6,974	6,388
Lease rentals -----	28	20
	<u>7,002</u>	<u>6,408</u>
Head office administrative expenses:		
Office expenses less amounts charged to associated companies (3,347)		( 1,046)
Directors' fees -----	400	300
Share issue and transfer expenses -----	2,103	2,156
Shareholders' reports and meetings -----	1,830	1,623
Legal fees -----	100	
Audit fees -----	325	325
Bank interest and charges -----	1,338	
Provision for pension costs -----	12,280	
General expenses -----	213	99
Depreciation of office equipment -----	64	80
	<u>15,306</u>	<u>3,537</u>
	<u>22,882</u>	<u>10,871</u>
Income (loss) before the following item -----	24,076	( 5,228)
Profit (loss) on shares sold (including for 1965 loss on shares written off) -----	650	( 8,616)
NET INCOME (Loss) for the year -----	<u>\$ 24,726</u>	<u>\$ (13,844)</u>



# THOMPSON-LUNDMARK GOLD MINES LIMITED

## *Statement of Deficit*

YEAR ENDED JUNE 30, 1966

(with comparative figures for the year ended June 30, 1965)

	1966	1965
Deficit at beginning of year .....	\$ 825,036	\$ 811,192
Deduct net income for the year ended June 30, 1966 .....	24,726	
Add loss for the year ended June 30, 1965 .....		13,844
Deficit at end of year .....	<u>\$ 800,310</u>	<u>\$ 825,036</u>

## *Source and Application of Funds*

YEAR ENDED JUNE 30, 1966

### SOURCE OF FUNDS:

Net income for the year, before profit on shares sold .....	\$ 24,076	
Add items not requiring current outlay		
Depreciation .....	64	
Provision for pension costs .....	12,280	
	<u>36,420</u>	
Proceeds from sale of shares in other companies .....	3,030	
Increase in prepaid expenses .....	5	\$ 39,455

### APPLICATION OF FUNDS:

Purchase of shares in other companies .....	97,556	
Purchase of mining claims .....	200	97,756

DECREASE IN WORKING CAPITAL POSITION .....		<u>\$ 58,301</u>
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Working capital at June 30, 1965 .....	\$ 3,524
Decrease in working capital .....	58,301
Working capital (deficiency) at June 30, 1966 .....	<u>\$ (54,777)</u>







